RISK INNOVATION NEXUS

CASE STUDY

Google: AI Partnership to Boost Military Efficiency Sparks Outcry

What could go wrong when working to make military drone data more responsive and lethal, but employees "believe that Google should not be in the business of war"?

THE COMPANY:

Google is one of the world's largest technology companies, specializing in providing net-enabled products and services across market sectors, including a cutting-edge search engine, AI software, and cloud storage. "Do the right thing" is the company's well-known motto.

WHAT WENT WRONG:

Google entered into a contract with the US Department of Defense's (DoD) Project Maven, a project using computer learning to increase the ability of weapon systems to detect objects.[7] Leadership anticipated pushback, emailing "This is red meat to the media to find all ways to damage Google,"[5] and tried to keep a lid on the new project.[6]

Information soon leaked on an internal mailing list, and employees were stunned and upset to learn of the partnership to augment and automate processing large amounts of military drone footage.[1]

Google declared they were working on ethical policies and safeguards, and emphasized prior federal work.[1] However, Project Maven explicitly supports counterinsurgency, counterterrorism, and increasing the lethality of the military.[2] Over 4,000[3] employees signed a letter to the company's leadership in protest,[2] requesting the deal be cancelled, and Google to "draft, publicize and enforce a clear policy stating that neither Google nor its contractors will ever build warfare technology."[4]

THE CONSEQUENCES:

At a company wide meeting, Google defended the deal, and described the work as "non-offensive."[2] Google and the Pentagon stated that autonomous weapons systems that could fire without a human operator wouldn't be made.[2]

However, the damage had already been done. There was an internal clash of worldviews, organizational reputation was marred, and trust had been undermined.

At least a dozen senior engineers, representing global top talent, resigned over the issue.[3]

Staff were told at the end of May that Google would be letting their deal with Project Maven lapse at the end of the 18-month contract.[3] This $9 million initial contract was planned to grow to $250 million dollars per year. Further losses are anticipated, associated with the reputational and relational damages incurred by backing out of a large and growing contract with a major client.[6]

LESSONS LEARNED:

Google could have better-managed the risks associated with the Project Maven contract if the company had paid attention to early warnings and been more sensitive to orphan risks. The company has internal networks for challenging management and for employee advocacy, and there were early warnings within these of potential issues. Managers anticipated war anxieties, but made the mistake of initially trying to hide hot-button issues until they eventually leaked. By increasing transparency, better-codifying corporate values, and taking workforce aspirations, concerns, and worldview seriously, Google could have avoided a costly mistake, either by declining the contract, or only proceeding with the clear buy-in of critical stakeholders, including the workforce.

Risk Innovation approaches risk as a threat to value, or a threat to something of importance to your enterprise, your investors, your customers, or your community. Whether tangible or intangible, a current product or a future success, if it's worth something to you or your stakeholders, it's an area of value. By identifying what is most valuable in each of these areas, you can begin to more clearly see how and where orphan risks might have the most blindsiding impact.

AREAS OF VALUE:

ENTERPRISE:

+ Attracting and retaining top talent

+ Fostering a culture and reputation of "doing the right thing"

INVESTORS:

+ High returns on investment

+ Predictable performance

CUSTOMERS:

+ Leveraging the expertise of a leading tech company

+ Ability to deliver

COMMUNITY:

+ Trustworthiness

+ Reliability

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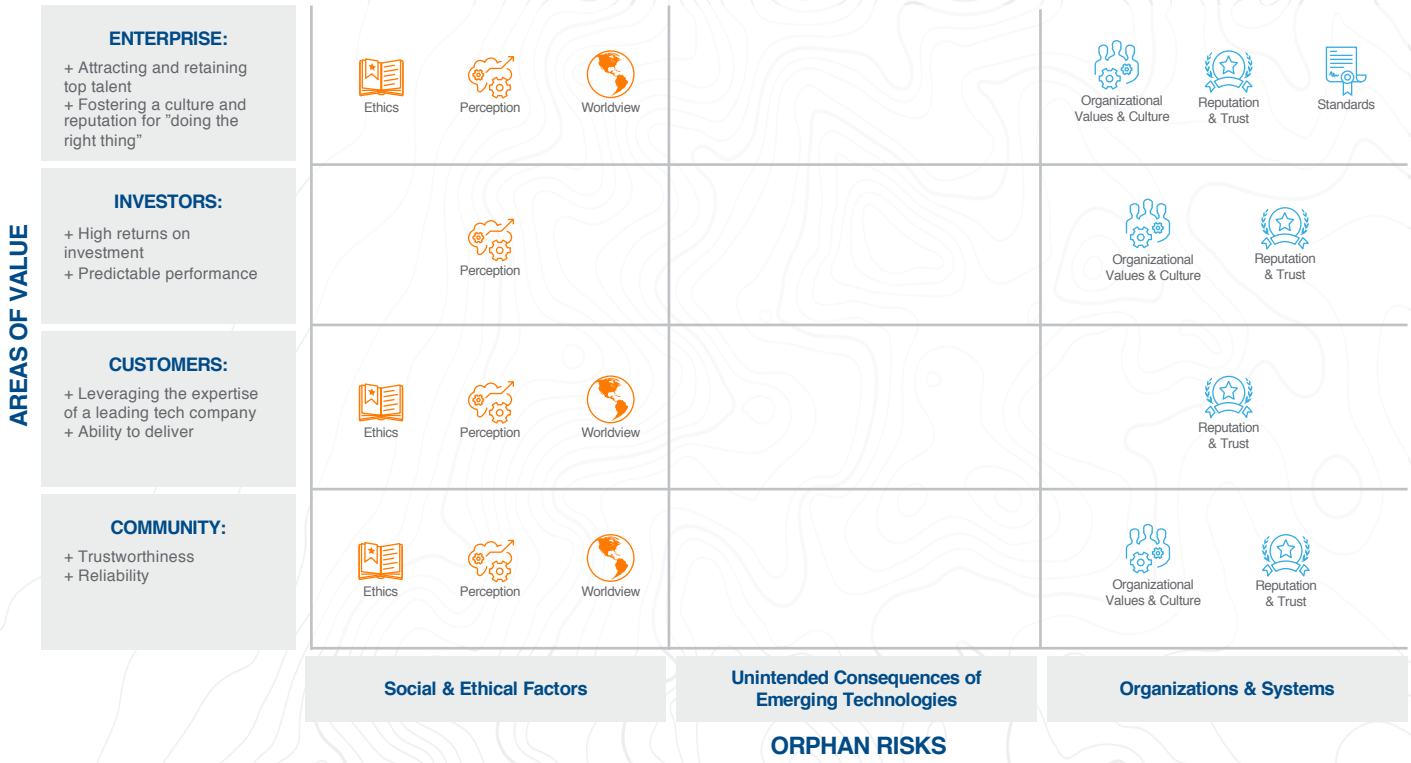
RISK LANDSCAPE:

Orphan risks clustering around social & ethical factors and organizations & systems point out where this tech company should focus.



NAVIGATING THE ORPHAN RISK LANDSCAPE:

A key benefit to mapping out the risk landscape is the ability to see where orphan risks are most concentrated as well as points of convergence between orphan risks that threaten multiple stakeholders, this allows a company to focus resources and begin planning.

Based on the risk landscape above, Google could have protected and enhanced value to the company and its stakeholders by:

Focusing on social and organizational factors: Though it's not surprising that a technology company would already be thinking about tech-related risks, it may come as a surprise just how much of a blindsiding impact social risks can have.

Organizational values create and inform organizational culture, and a company benefits from successfully operationalizing both. By asking questions like "do my company's values reflect what is important to both the founders and members?" and "have we explicitly addressed the steps we will take when faced with an opportunity that may conflict with these values?" Google could have ensured that action-steps were in place to operationalize the values that were most important to their stakeholders.

Recognizing threats to reputation and trust: With a greater awareness of how stakeholders' deeply-held beliefs, worldview, and ethics, contribute to their decision-making, Google might have created a company policy or list of best-practices to safeguard organizational values, protecting the interests of its stakeholders and – ultimately – its own reputation. This upfront consideration can help ensure that new products or partnerships are beneficial to both the company and its stakeholders.

This case study is just the beginning of a larger conversation. If you are ready to incorporate risk innovation thinking into your organization, please contact us at info@riskinnovation.org

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